



# State of Utah

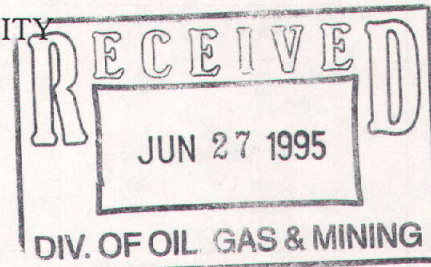
DEPARTMENT OF ENVIRONMENTAL QUALITY  
DIVISION OF WATER QUALITY

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m/053/005

June 15, 1995

Mr. James Smith  
Manager, USMX of Utah  
P.O. Box 2650  
955 South 1300 West, #4  
St. George, Utah 84770

Re: Preliminary Proposal - Operational Changes  
and Enlargement of Storage Capacity -  
Ground Water Permit No. UGW 350001

Dear Mr. Smith:

We have reviewed your request and supporting information, dated June 8, 1995, to add cyanide to the leach circuit at the Goldstrike Mine. This request was prepared by JBR Environmental Consultants. The document includes 1) a description of the proposed 7-million gallon storage pond; 2) assessment of potential ground water impacts from the pond; and, 3) management of leach solutions at the Goldstrike Mine.

Pursuant to the Notice of Violation and Order, Docket Number DE95-01, Item No. 1, we hereby approve USMX's request to add cyanide to the leach circuit on the basis of the following considerations:

1. USMX proposes to build a 7-million gallon, compacted earth lined, emergency storage pond. The pond is designed to receive diluted process fluids from Pad No. 1, only in the event of an emergency, to prevent an unauthorized discharge. Cyanide has not been added to Pad No. 1 for approximately one and a half years and the pad is now being decommissioned.
2. USMX has demonstrated that the low level contaminants that may leak through the Hamburg Pond will be attenuated significantly after percolating through back fill material in the Hamburg Pit, and therefore, it will not result in contamination of ground water.
3. USMX has further demonstrated that the specific retention of material in the Hamburg Pit will completely absorb at least 7-million gallons of fluid, and therefore will not effect the ground water. The Hamburg Pit lies under the proposed 7-million gallon pond. The small amount of storm water percolating through the pit will have minimal impact to ground water.
4. The 7-million gallon pond will be used only in the event of an emergency during the fall of 1995 and in the spring and summer of 1996.





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5. The modified operation plan is described as follows:

In the fall of 1995, diluted solution from Pad No. 1 will be diverted to the Hamburg Pond. Solution will remain in the Hamburg Pond for a maximum of six months, unless an emergency situation develops, whereby the pond will need to be used to prevent a release of solutions. In the event the Hamburg Pond is needed to store treated solutions from the process ponds due to extreme rain events, dilute solutions in the pond from Pad No. 1 will be diverted to the 7-million gallon storage pond. USMX will commence diverting solutions from the Hamburg Pond, if the total volume of solutions stored in the process ponds, makeup pond, and rinse ponds equals 4.4-million gallons--and, if additional storms are predicted from the succeeding 48-hour period.

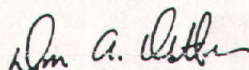
6. The additional storage as proposed, accompanied by modifying the operation as stated, greatly reduces the probability of unpermitted discharge from the facility. We understand that USMX is also working on obtaining approval from our office to apply land treated solution that will, if approved and implemented, further reduce the chance for unpermitted discharges.

Use of the proposed 7-million gallon pond as described above will need to be permitted by the Division. USMX must receive a construction permit from our office prior to construction of the 7-million gallon pond. We need to receive plans, specifications and the detailed attenuation studies for our review and approval.

We have also reviewed your submittal dated May 31, 1995, regarding the Hamburg Pond. Based on your request, we will modify the ground water permit, authorizing the use of the Hamburg Pond as described above.

If we can be of further assistance, please contact me or Mr. Lyle Stott of my staff.

Sincerely,



Don A. Ostler, P.E.  
Director

DAO:LWS:erb

cc: Mr. Travis W. Jones - Division of Oil, Gas and Mining  
U.S. & Fish and Wildlife Service  
Mr. Fred Nelson - Assistant Attorney General  
Mr. Wayne Thomas - Southwest Utah Public Health Department

LS:USMX-CYN.LT:  
FILE:USMX